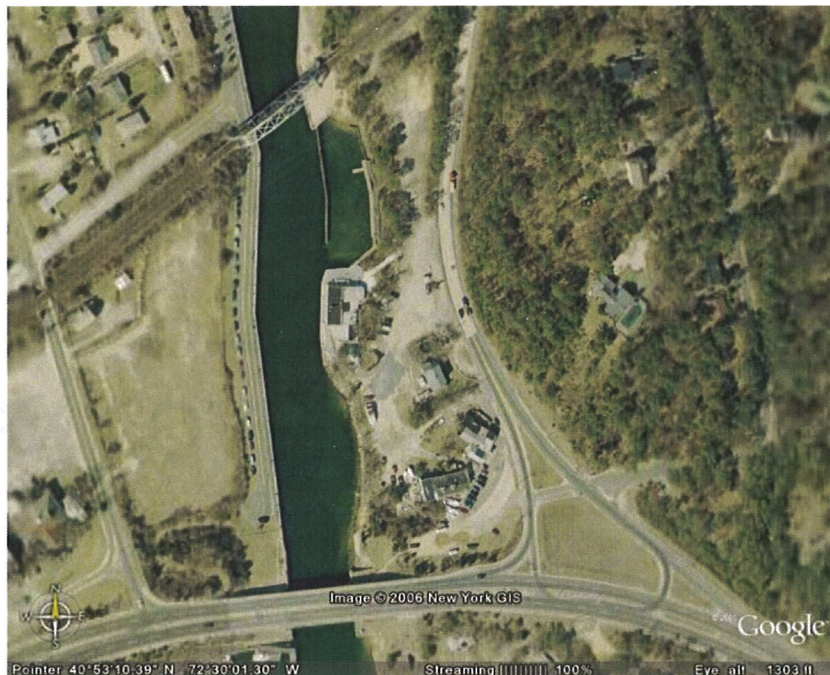


**Appendix C-2
Phase I ESA, Canal & Eastern Properties**

PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT

NORTH HIGHWAY
(SCTM 900-207-4-22.1, 23, 24 & 25 and SCTM 900-208-2-18.1)
HAMPTON BAYS, NEW YORK



Prepared for:
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JULY 2006

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EXECUTIVE SUMMARY

R Squared, LLC retained P.W. Grosser Consulting, Inc. (PWGC) to prepare a Phase I Environmental Site Assessment (ESA) of the property identified on the Suffolk County Tax Map (SCTM) as District 900, Section 207, Block 4, Lots 22.1, 23, 24, 25 and District 900, Section 208, Block 2, Lot 18.1 in Hampton Bays, New York. Street addresses associated with the property include 3, 5 and 7 North Highway, 5 Old Canoe Place Road and 243 East Montauk Highway. The purpose of the Phase I ESA was to identify and evaluate the presence of recognized environmental conditions at the subject site. Recognized environmental conditions are the presence or likely presence of any hazardous substance or petroleum product under conditions that indicate an existing release, a past release or material threat of a release of any hazardous substance or petroleum product into structures on the property or into the ground, groundwater or surface water of the property.

The work was conducted in accordance with the American Society for Testing and Materials (ASTM) Standard E 1527-05 (Standard Practices for Environmental Site Assessment: Phase I Environmental Site Assessment Process), 40 CFR Part 312 (Standards and Practices for All Appropriate Inquiry; Final Rule) and PWGC's proposal for services.

The subject property is divided into two parcels. The western parcel is located on the west side of North Highway between Montauk Highway and the Long Island Rail Road (LIRR) right-of-way, adjacent to the Shinnecock Canal. The eastern parcel is located on the east side of North Highway between Old Canoe Place road and the LIRR right-of-way. The parcels are adjacent to each other across North Highway. The site is located in the Town of Southampton and Suffolk County, New York. The western parcel is improved with a vacant two-story commercial building formerly utilized as a bait and tackle shop, two single-story commercial buildings utilized as restaurants and a two-story residential dwelling. The eastern parcel is unimproved and vacant, except for a small shed near the southwestern corner of the parcel.

Based upon reconnaissance of the subject and surrounding properties, interviews and review of historical records and regulatory agency databases the assessment revealed no evidence of recognized environmental conditions in connection with the subject property, except for the following:

- Three potential USTs were identified outside the former bait and tackle shop and although the structures on the property are currently heated with natural-gas, additional unknown fuel-oil USTs may be associated with the other structures on the property as well. Possible leakage from potential USTs may have impacted the subsurface of the property.

- Sanitary waste is disposed of through onsite septic systems at each of the three commercial structures. Based upon the historic usage of the site, it is possible that hazardous chemicals were used and/or stored at the subject property. Potential uncontrolled releases and/or improper disposal of hazardous chemicals may have impacted the onsite septic systems.
- The former bait and tackle shop was historically utilized as a gasoline service station. Based upon the historical usage of the site, it is likely that hazardous chemicals were used and/or stored at the subject property. Furthermore, additional unknown USTs, beyond those identified during the site visit, may be present at the site. Potential uncontrolled releases and/or improper disposal of hazardous chemicals or leakage from potential unknown USTs may have impacted the subsurface of the site.

Based upon the presence of recognized environmental conditions, PWGC recommends that a Phase II ESA be performed for the property. The Phase II ESA should consist of the following:

- To identify potential USTs at the property, a geophysical survey encompassing the areas around each of the on-site structures should be performed.
- To determine whether the use and/or presence of any USTs identified at the property have impacted the subsurface of the property, soil borings should be installed around each UST identified and soil and groundwater samples should be collected from each boring location and submitted for laboratory analysis.
- To determine whether the past usage of the property has impacted the on-site septic systems, soil samples should be collected from the bottom of the primary cesspool associated with each of the onsite septic systems and submitted for laboratory analysis.

Based on review of Town of Southampton and NYSDEC records, it appears that portions of the western parcel of the subject property are identified as tidal wetlands. Improvements to the western portion of the subject property may require Wetlands Permits from the NYSDEC and Town of Southampton.

No potential sources of Presumed Asbestos Containing Material (PACM), lead based paint or mold were observed during the site inspection, however, based upon the apparent age of the structures, further investigation would likely be warranted in the event that the structures are demolished or renovated.

1.0 INTRODUCTION

1.1 Purpose

R Squared, LLC retained P.W. Grosser Consulting, Inc. (PWGC) to prepare a Phase I Environmental Site Assessment (ESA) of the property identified on the Suffolk County Tax Map (SCTM) as District 900, Section 207, Block 4, Lots 22.1, 23, 24, 25 and District 900, Section 208, Block 2, Lot 18.1 in Hampton Bays, New York. Street addresses associated with the property include 3, 5 and 7 North Highway, 5 Old Canoe Place Road and 243 East Montauk Highway. The purpose of the Phase I ESA was to identify and evaluate the presence of recognized environmental conditions at the subject site. Recognized environmental conditions are the presence or likely presence of any hazardous substance or petroleum product under conditions that indicate an existing release, a past release or material threat of a release of any hazardous substance or petroleum product into structures on the property or into the ground, groundwater or surface water of the property.

1.2 Scope of Services

The assessment consisted of a visual inspection of the site and surrounding areas, interviews, a review of historical information and aerial photographs, and a review of pertinent local, state, federal and facility records. Environmental Data Resources (EDR) of Southport, Connecticut provided the following: a computerized database search of environmental compliance records of sites within an ASTM standard radius of the property, a listing of environmentally sensitive sites in the vicinity of the subject property in accordance with the National Environmental Policy Act of 1969 (NEPA), a Sanborn fire insurance map search, historical topographic map search, historical aerial photograph search and a historical telephone directory search.

PWGC reviewed the environmental database report compiled by EDR as a part of the assessment. The purpose of the review was to identify reported listings for the subject property or other properties in the site vicinity. Databases reviewed included federal and state lists of known or suspected contaminated sites, lists of known handlers or generators of hazardous waste, lists of known waste disposal facilities, and lists of aboveground and underground storage tanks (ASTs and USTs). In addition, a NEPA database search was performed that included: natural areas, flood plains, wetlands and historical sites. PWGC's review of the database has been incorporated into this report along with a copy of the EDR report.

The work was conducted in accordance with the American Society for Testing and Materials (ASTM) Standard E 1527-05 (Standard Practices for Environmental Site Assessment: Phase I Environmental Site Assessment Process), 40 CFR Part 312 (Standards and Practices for All Appropriate Inquiry; Final Rule) and PWGC's proposal for services.

1.3 Assumptions

In accordance with the ASTM Standard and 40 CFR Part 312, PWGC has made the following assumptions in the preparation of this report:

1. Groundwater Flow Direction - The regional groundwater flow direction in the vicinity of the property has been inferred based upon site observations of topographic slope, proximity of the nearest body of surface water and review of current topographic and groundwater contour maps. Regional groundwater flow in the vicinity of the site is inferred to be toward the west.
2. Regulatory Records Information - PWGC assumes that all information provided by EDR regarding the regulatory status of facilities within the ASTM Standard approximate minimum search distance is complete, accurate and current.
3. Other - PWGC assumes that all information provided through interviews is complete and unbiased.

1.4 Limitations and Exceptions

The conclusions presented in this report are professional opinions based on the data described in this report. These opinions have been arrived at in accordance with currently accepted engineering and hydrogeologic standards and practices applicable to this location, and are subject to the following inherent limitations:

1. The data presented in this report are from visual inspections, examination of records in the public domain, and interviews with individuals having information about the site. The passage of time, manifestation of latent conditions, or occurrence of future events may require further exploration of the site, analysis of data, and re-evaluation of the findings, observations, and conclusions presented in this report.
2. The data reported and the findings, observations, and conclusions expressed are limited by the scope of work. The scope of work was defined by the request of the client.
3. No warranty or guarantee, whether expressed or implied, is made with respect to the data reported, findings, observations, or conclusions. These are based solely upon site conditions in existence at the time of the investigation, and other information obtained and reviewed by PWGC.
4. PWGC's Phase I ESA report presents professional opinions and findings of a scientific and technical nature. While attempts were made to relate the data and findings to applicable environmental laws and regulations, the report shall not be construed to offer legal opinion or representations as to the requirements of, nor compliance with, environmental laws, rules, or regulations, or policies of federal, state, or local government agencies. PWGC does

not assume liability for financial or other losses or subsequent damage caused by or related to any use of this document.

5. The conclusions presented in this report are professional opinions based on data described in this report. They are intended only for the purpose, site location, and project indicated. This report is not a definitive study of contamination at the site and should not be interpreted as such.
6. This report is based, in part, on information supplied to PWGC by third-party sources. While efforts have been made to substantiate this third-party information, PWGC cannot attest to the completeness or accuracy of information provided by others.

1.5 Special Terms and Conditions

Authorization to perform this assessment was given by a proposal for services between R Squared, LLC and PWGC dated May 22, 2006.

1.6 User Reliance

This report was prepared for the exclusive use of R Squared, LLC; PWGC assumes no liability for use of this report by any person or entity other than the client for which it was prepared.

2.0 PROPERTY DESCRIPTION AND PHYSICAL SETTING

2.1 Location and Legal Description

The subject property is known as 3, 5 and 7 North Highway, 5 Old Canoe Place Road and 243 East Montauk Highway, Hampton Bays, New York. The property is divided into two parcels. The western parcel is located on the west side of North Highway between Montauk Highway and the Long Island Rail Road (LIRR) right-of-way, adjacent to the Shinnecock Canal. The eastern parcel is located on the east side of North Highway between Old Canoe Place road and the LIRR right-of-way. The parcels are adjacent to each other across North Highway. The site is located in the Town of Southampton and Suffolk County. The site is designated as District 900, Section 207, Block 4, Lots 22.1, 23, 24, 25 and District 900, Section 208, Block 2 and Lot 18.1 by the Town of Southampton Department of Assessment. Figure 1 illustrates the site location on the United States Geological Survey (USGS) 7.5-minute series topographic map for the Mattituck, New York quadrangle.

2.2 Site and Vicinity General Characteristics

The subject property consists of two parcels, totaling approximately 7 acres. The western parcel (approximately 4.5 acres) is improved with four structures; the eastern parcel (approximately 2.5 acres) is currently unimproved and vacant, except for a small wooden shed. The areas surrounding the subject property predominantly consists of residential properties.

2.3 Description of Structures and Other Improvements

The western parcel is improved with four structures, summarized as follows:

- One vacant two-story commercial building with a basement formerly utilized as a bait and tackle shop (243 East Montauk Highway).
- One single-story commercial building with a basement utilized as restaurant (La Casona Restaurant, 5 North Highway).
- One single-story commercial building without a basement utilized as a restaurant (Tide Runners Restaurant, 7 North Highway).
- One two-story residential dwelling with a basement (3 North Highway).

Asphalt, concrete and/or gravel parking areas are located adjacent to each structure. A boat basin with a wooden dock and steel bulkhead is located at the northwestern portion of the property. A tower for Long Island Power Authority (LIPA) power transmission lines is located on the northern portion of the parcel; the lines run parallel to the northern property boundary.

The eastern portion of the property (5 Old Canoe Place Road) is undeveloped and vacant except for a small wooden shed located near the southwestern corner of the property. Overhead utility lines run from the southwest corner of the parcel to a residential property adjacent to the north eastern portion of the parcel. Three utility poles for the lines are located on the parcel. The majority of the parcel is covered with uncontrolled vegetation.

2.3.1 Utilities

At the time of the site inspection, four separate structures were located on the western portion of the property. There were no utilities on the undeveloped eastern portion of the property. Utility services were provided to the western portion of the property as follows:

- Heating/Cooling System – Three of the four on-site structures are heated with natural gas, the restaurant La Casona is heated with fuel oil.
- Water Supply – Potable water is supplied by the local municipal water authority.
- Sanitary System – Sanitary waste is discharged to separate on-site septic systems associated with each structure.
- Electric – Electric service is provided by the LIPA via overhead lines.

2.4 Physical Setting

The topography of the site and surrounding area was reviewed from the USGS 7.5-minute series topographic map for the Mattituck, New York quadrangle. The property elevation ranges from approximately 11 feet above the National Geodetic Vertical Datum (NGVD) on the western parcel to approximately 50 feet above the NGVD on the eastern parcel. In general, the property and surrounding area slope toward the west. Regional physiographic conditions are summarized in the following sections.

2.4.1 Regional Geology / Hydrogeology

The geologic setting of Long Island is well documented and consists of crystalline bedrock composed of schist and gneiss overlain by layers of unconsolidated deposits.

Immediately overlying the bedrock is the Raritan Formation, consisting of the Lloyd sand confined by the Raritan Clay Member. The Lloyd sand is an aquifer and consists of discontinuous layers of gravel, sand, sandy and silty clay, and solid clay. The depth to the top of the Lloyd at the site is approximately 800 feet below land surface and the aquifer is

approximately 300 feet thick. The Raritan clay occurs at approximately 700 feet below grade. The average thickness of the Raritan clay in the vicinity of the site is 100 feet. The Raritan clay is relatively impermeable, and effectively hydraulically isolates the Lloyd Aquifer from overlying aquifers. The Raritan Clay is solid with silty clay and few lenses of sand and gravel; abundant lignite and pyrite; and gray, red or white in color.

Above the Raritan Clay lies the Magothy Formation. The Magothy Aquifer consists of layers of fine to coarse sand of moderate to high permeability, with inter-bedded lenses of silt and clay of low permeability resulting in areas of preferential horizontal flow. Therefore, this aquifer generally becomes more confined with depth. The depth to the top of the Magothy is approximately 100 feet below land surface and is estimated to be 600 feet thick in the area of the subject property.

The Magothy Aquifer is overlain by the Upper Glacial Aquifer. The Upper Glacial Aquifer is the water table aquifer at this location and is comprised of medium to coarse sand and gravel with occasional thin lenses of fine sand and brown clay. This aquifer extends from the land surface to the top of the Magothy and, therefore, is hydraulically connected to the Magothy Aquifer.

Soils at the site are classified by the United States Department of Agriculture's Soil Conservation Service as Fill Land, identifying the soils as deep, well drained to excessively drained sands and gravels with high infiltration rates. Additional information regarding the soil classification is also included in the EDR report (Appendix E, Page A-5).

2.4.2 Local Hydrogeology

Based upon regional groundwater contour maps, the depth to groundwater beneath the site ranges from approximately 5 feet below existing grade on the western parcel to 45 feet below existing grade on the eastern parcel and flows west toward the Shinnecock Canal. Current groundwater quality beneath the subject property is unknown. Two public water supply wells, owned by the Hampton Bays Water District, are identified in the EDR report within a one mile radius of the subject property.

2.4.3 Flood Potential

PWGC reviewed the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs) to determine if the subject property is located within the 100-year or 500-year flood zones. The FIRM showing the property (No. 36103C0494G) indicates that portions of the waterfront property are located within the 100-year flood zone. This indicates that there is a risk of flooding at the subject property. FIRM data is incorporated in the EDR Radius Map Report included as Appendix E.

2.4.4 Direction and Distance to Nearest Surface Water

The Shinnecock Canal is located adjacent to the western boundary of the subject property. The northwestern portion of the property is utilized as a boat basin which is connected to the Shinnecock Canal.

2.4.5 Wetland Delineation

EDR was retained to provide a listing of environmentally sensitive sites in the vicinity of the subject property, in accordance with the NEPA. A review of the NEPA Check report (included in Appendix F), which includes New York State and Federal wetlands and the New York State Department of Environmental Conservation (NYSDEC) Wetlands Map (included in Appendix G), which identified New York State Tidal Wetlands, indicates that portions of the subject property appear to be identified as tidal wetlands.

Town of Southampton (TOS) Department of Land Management Environmental Division records indicate that the one (SCTM 900-207-4-23) of the five lots that comprise the subject property is included in the TOS Wetlands Inventory.

2.4.6 Radon Risk Evaluation

Radon is a colorless, radioactive, inert gas formed by the decay of radium and may be present in soils and rocks containing granite, shale, phosphate and pitchblende. The USEPA's "Map of Radon Zones for New York State", September 1993 indicates that Suffolk County is not a radon risk area. The EDR report provides information from the New York State Department of Health radon survey which indicates that 100% of those sites tested in Suffolk County were below the United States Environmental Protection Agency (USEPA) radon action level of 4 Pico curies per liter (pCi/L) in the living.

3.0 PROPERTY USAGE

3.1 Current Property Usage

The western portion of the property is utilized for commercial and residential purposes. The eastern portion of the property is undeveloped and vacant.

3.2 Current Usage of Adjoining/Surrounding Properties

The surrounding area is comprised of a mix of residential and commercial properties. A summary of the surrounding properties is as follows:

Direction	Property Description
North	Commercial property (Long Island Rail Road Right-of-way)
South	Commercial property (Hampton Bays Florist)
East	Residential properties
West	Shinnecock Canal

3.3 Historical Usage of Subject Property and Surrounding Properties

Historical sources researched to determine past usage of the subject property and surrounding properties are as follows:

Sanborn Fire Insurance Maps - EDR was retained to provide historical Sanborn fire insurance maps of the subject and adjacent properties. No Sanborn maps were available for the subject property or vicinity.

Historical Topographic Maps - Historical topographic maps were available from 1904, 1944 and 1956. The review is summarized in Sections 3.3.1 and 3.3.2. Copies of historical topographic maps are included as Appendix B.

Historical Aerial Photographs - PWGC performed a review of readily available aerial photographs showing the subject and surrounding properties. Photographs from 1954, 1961, 1976, 1980 and 1994 were reviewed. The review is summarized in Sections 3.3.1 and 3.3.2. A copy of the aerial photograph search is included in Appendix C.

City Directory Abstract - EDR was retained to provide a directory of historical telephone listings at the subject property and surrounding properties. Listings from 1971, 1978, 1982, 1989, 1997 and 2006 were provided and reviewed. The review is summarized in Sections 3.3.1 and 3.3.2. A copy of the City Directory abstract is included in Appendix D.

3.3.1 Subject Property

The western portion of the property is currently developed with four separate structures (three commercial and one residential). The eastern portion of the property is currently undeveloped and wooded. A review of usage for the subject property identified through historical records review including: topographic maps, aerial photos and city directories is summarized below.

Date(s)	Source	Description
1904	TM	Both the eastern and western portions of the property appear to be vacant. The boat basin is not shown on the map.
1944	TM	The western portion of the property appears to be occupied by four separate structures. The boat basin appears to be present. The eastern portion of the property appears to be unimproved and vacant.
1954	AP	The western portion of the property appears to be occupied by the four structures and boat basin currently occupying the site. The eastern portion of the property appears to be undeveloped and vacant.
1956	TM	The western portion of the property appears to be occupied by four separate structures. The boat basin appears to be present. The eastern portion of the property appears to be unimproved and vacant.
1961	AP	The western portion of the property appears to be occupied by the four structures and boat basin currently occupying the site. The eastern portion of the property appears to be undeveloped and vacant.
1976	AP	The western portion of the property appears to be occupied by the four structures and boat basin currently occupying the site. The eastern portion of the property appears to be undeveloped and vacant.
1980	AP	The western portion of the property appears to be occupied by the four structures and boat basin currently occupying the site. The eastern portion of the property appears to be undeveloped and vacant.
1994	AP	The western portion of the property appears to be occupied by the four structures and boat basin currently occupying the site. The eastern portion of the property appears to be undeveloped and vacant.
TM – Historical Topographic Map; AP – Aerial Photograph; CD – City Directory Abstract		

Historical information contained in the aerial photographs and topographic maps reviewed for the subject property indicates that the western parcel has been developed since at least 1944. No evidence of development on the eastern parcel was identified. No evidence of recognized environmental conditions was identified for either parcel.

Due to apparent address discrepancies, no listings for the subject property or surrounding properties were identified in the city directory search. The city directory search has been resubmitted; pertinent information, if any, will be forwarded upon receipt.

3.3.2 Surrounding Properties

A review of usage for the properties surrounding the subject property identified through historical records review, including topographic maps, aerial photos and city directories is summarized below.

Date(s)	Source	Description
1904	TM	The area surrounding the subject property appears to be lightly developed. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1944	TM	The area surrounding the subject property appears to be lightly developed. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1954	AP	The area surrounding the subject property appears to consist of a mix of residential and commercial properties, including several marinas. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1956	TM	The area surrounding the subject property appears to be lightly developed. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1961	AP	The area surrounding the subject property appears to consist of a mix of residential and commercial properties, including several marinas. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1976	AP	The area surrounding the subject property appears to consist of a mix of residential and commercial properties, including several marinas. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1980	AP	The area surrounding the subject property appears to consist of a mix of residential and commercial properties, including several marinas. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
1994	AP	The area surrounding the subject property appears to consist of a mix of residential and commercial properties, including several marinas. The Shinnecock Canal is located adjacent to the western boundary of the subject property; a railroad right-of-way adjoins the northern property boundary.
TM – Historical Topographic Map; AP – Aerial Photograph; CD – City Directory Abstract		

Historical information contained in the aerial photographs and topographic maps reviewed for the properties surrounding the subject property indicate that the area surrounding the subject property has been developed since at least the early 1900's. No evidence of recognized environmental conditions related to the area surrounding the subject property was identified.

4.0 USER PROVIDED INFORMATION

4.1 Title Records

As of the date of this report the user has not requested that PWGC perform a title search.

4.2 Environmental Liens

An environmental lien is a charge, security or encumbrance upon title to a property to secure the payment of a cost, damage, debt, obligation, or duty arising out of response actions, cleanup or other remediation of hazardous substances or petroleum products upon a property, including, but not limited to, liens imposed pursuant to CERCLA 42 USC § 9607 (1) & 9607(r) and similar state and local laws.

The user has not made PWGC aware of any environmental liens against the subject property.

4.3 Specialized Knowledge

The user has not made PWGC aware of any specialized knowledge regarding the chemicals or processes formerly in use at the subject property or surrounding properties.

4.4 Commonly Known or Reasonably Ascertainable Information

The user has not made PWGC aware of any commonly known or reasonably ascertainable information regarding the past uses of the subject property, specific chemicals in use at the subject property or any spills, chemical releases or environmental cleanups at the subject property.

4.5 Valuation Reduction for Environmental Issues

The user has not made PWGC aware of any valuation reduction regarding the sale price of the subject property.

4.6 Owner, Property Manager and Occupant Information

The property is owned by Mr. Ron Mayer. As of the date of this report, the residential structure and two of the three commercial properties were occupied (La Casona and Tide Runners). The former bait and tackle shop is vacant.

4.7 Reason for Performing Phase I ESA

The Phase I ESA was performed to identify recognized environmental conditions at the subject property in conjunction with a real estate transaction.

5.0 RECORDS REVIEW

5.1 Standard Environmental Record Sources

Environmental Data Resources (EDR) of Southport, Connecticut was retained to provide a computerized database search of the subject area within an ASTM-standard radius of the subject property. A list of the databases searched and the search radius is shown on the summary table below. PWGC reviewed the database output to determine if the property appears on any of the regulatory agency lists. Detailed information concerning each database list is provided in the EDR report (Appendix E). A summary of standard environmental record sources researched is as follows:

5.1.1 Federal Databases

The table below summarizes the Federal databases that were searched.

Agency	Listing Name or database Searched	Abbreviation	Search Distance
USEPA	National Priority List	NPL	1.0 mile
USEPA	National Priority List Deletions	Delisted NPL	0.5 mile
USEPA	Comprehensive Environmental Response Compensation and Liability Information System	CERCLIS	0.5 mile
USEPA	CERCLIS No Further Remedial Action Planned	CERCLIS-NFRAP	0.5 mile
USEPA	Resource Conservation and Recovery Act (RCRA) Corrective Action Activity	CORRACTS	1.0 mile
USEPA	RCRA Treatment/Storage/Disposal Facilities	RCRA TSD	0.5 mile
USEPA	RCRA Small/Large Quantity Hazardous Waste Generators	RCRA SQG/LOG	Subject Property and Adjoining
USEPA	Federal Institutional/Engineering Control registries	US INST/ENG Controls	Subject Property
USEPA	Emergency Response Notification System	ERNS	Subject Property
USEPA	Superfund (CERCLA) Consent Decrees	CONSENT	1.0 mile
USEPA	Records of Decision	ROD	1.0 mile
USEPA	Mines Master Index	MINES	0.25 mile

National Priority List - The National Priority List (NPL) is the Environmental Protection Agency (EPA) database of uncontrolled or abandoned hazardous waste sites identified for priority remedial actions under the federal Superfund Program.

Neither the subject property nor any property within one mile of the subject property is identified as a NPL site.

National Priority List Deletions - National Priority List Deletions are sites that have been removed from the National Priorities List. Sites are deleted where the EPA has determined that no further response is appropriate.

Neither the subject property nor any property within ½ mile of the subject property is identified as a Delisted NPL site.

CERCLIS - The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list is a compilation of sites that the EPA has investigated or is currently investigating for a release or threatened release of hazardous substances.

Neither the subject property nor any property within ½ mile of the subject property is identified as a CERCLIS site.

CERCLIS-NFRAP – No Further Remedial Action Planned (NFRAP) sites are sites that have been removed and archived from the inventory of CERCLIS sites. Archived status indicates that, to the best of EPA's knowledge, assessment at a site has been completed and that EPA has determined no further steps will be taken to list this site on the NPL.

Neither the subject property nor any property within ½ mile of the subject property is identified as a CERCLIS-NFRAP site.

RCRA CORRACTS - The RCRA Corrective Actions (CORRACTS) database is the EPA's list of hazardous waste treatment, storage or disposal facilities subject to corrective action under RCRA.

Neither the subject property nor any property within one mile of the subject property is identified as a CORRACTS site.

RCRA Treatment, Storage and Disposal - The EPA's RCRA program identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA Treatment, Storage and Disposal (TSD) database is a compilation of reporting facilities that treat, store or dispose of hazardous waste.

Neither the subject property nor any property within ½ mile of the subject property is identified as a RCRA TSD site.

RCRA Generators - The RCRA Generators database is a compilation of reporting facilities that generate hazardous waste. A Small Quantity Generator (SQG) is a site which generate more than 100 and less than 1000 kg of hazardous waste during any one calendar month and accumulates less than 6000 kg of hazardous waste at any time; or a site which generates less than 100 kg of hazardous waste during any one calendar month and accumulates less than 1000 kg of hazardous waste at any time. Large Quantity Generators (LOG) generates more that 1000 kg of hazardous waste per month.

Neither the subject property nor any adjoining property is identified as a RCRA Hazardous Waste Generator site.

Federal Institutional/Engineering Controls – Federal Institutional/Engineering Controls databases list sites with institutional/engineering controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.

The subject property is not identified in the Federal Institutional/Engineering Controls databases.

Emergency Response Notification System - The Emergency Response Notification System (ERNS) is a national database used to collect information on reported releases of oil or hazardous substances.

The subject property is not identified in the ERNS databases.

Superfund Consent Decrees - The Superfund Consent Decrees (CONSENT) list identifies major legal settlements that establish responsibility and standards for cleanup at NPL sites.

Neither the subject property nor any property within one mile of the subject property is identified as a CONSENT site.

Records of Decision - Record of Decision (ROD) documents mandate a permanent remedy at an NPL site containing technical and health information to aid in the cleanup.

Neither the subject property nor any property within one mile of the subject property is identified as a ROD site.

Master Mines Index - The Master Mines Index (MINES) file contains all mine identification numbers issued for mines active or opened since 1971. The data also includes violation information.

Neither the subject property nor any property within ¼ mile of the subject property is listed in the MINES database.

5.1.2 New York State Databases

The table below summarizes the NYSDEC databases that were searched.

Agency	Listing Name or database Searched	Abbreviation	Search Distance
NYSDEC	Inactive Hazardous Waste Disposal Sites in New York State	SHWS	1.0 mile
NYSDEC	Hazardous Substance Waste Disposal Site Study	HSWDS	0.5 mile
NYSDEC	Solid Waste Facility Register	SWF	0.5 mile
NYSDEC	Registered Recycling Facilities	SWRCY	0.5 mile
NYSDEC	Registered Waste Tire Storage Facilities	SWTIRE	0.5 mile
NYSDEC	Leaking Underground Storage Tank Sites	LTANKS	0.5 mile
NYSDEC	Petroleum Bulk Storage (PBS)	PBS UST/AST	Subject Property and Adjoining
NYSDEC	Chemical Bulk Storage (CBS)	CBS AST/UST	Subject Property and Adjoining
NYSDEC	Institutional/Engineering Control registries	INST/ENG Controls	Subject Property
NYSDEC	Voluntary Cleanup Agreements	VCP	0.5 mile
NYSDEC	Brownfield sites	Brownfields	0.5 mile
NYSDEC	Major Oil Storage Facilities	MOSF	0.5 mile
NYSDEC	New York State Spills	NYSPILLS	0.125 mile
NYSDEC	Dry Cleaner Site	Drycleaners	0.25 mile

New York State Inactive Hazardous Waste Disposal Sites - The NYSDEC maintains a state priority list of Inactive Hazardous Waste Disposal Sites (SHWS) considered to be actually or potentially contaminated and presenting a possible threat to human health and the environment. Referred to as the State Superfund Program, the Inactive Hazardous Waste Disposal Site Remedial Program is the cleanup program for inactive hazardous waste sites and now includes hazardous substance sites.

Neither the subject property nor any property within one mile of the subject property is listed in the SHWS database.

Hazardous Substance Waste Disposal Site Study – The NYSDEC Hazardous Substance Waste Disposal Site Study (HSWDS) list includes any known or suspected hazardous substance waste disposal sites. Also included are sites delisted from the SHWS registry and non-registry sites that EPA Preliminary Assessment reports or Site Investigation reports were prepared.

Neither the subject property nor any property within ½ mile of the subject property is listed as a HSWDS site.

Solid Waste Facility Register - The NYSDEC Solid Waste Facility Register (SWF) records contain an inventory of solid waste disposal facilities or landfills in New York State.

Neither the subject property nor any property within ½ mile of the subject property is listed as a SWF site.

Registered Recycling Facilities - The Registered Recycling Facilities List (SWRCY) is a NYSDEC list of recycling facilities.

Neither the subject property nor any property within ½ mile of the subject property is listed as a SWRCY site.

Registered Waste Tire Storage Facilities - The Registered Recycling Facilities List (SWTIRE) is a NYSDEC list of Registered Waste Tire Storage & Facility List.

Neither the subject property nor any property within ½ mile of the subject property is listed as a SWTIRE site.

Leaking Underground Storage Tank Sites - The Leaking Underground Storage Tank Sites (LTANKS) database contains a NYSDEC inventory of reported leaking storage tank incidents. They can be either leaking underground storage tanks or leaking aboveground storage tanks. The causes of the incidents are tank test failures, tank failures or tank overfills.

The subject property is not identified as a LTANKS site. Two LTANK sites were identified within ½ mile of the subject property. Both sites have been issued no further action letters by the NYSDEC, and are unlikely to represent an environmental concern to the subject property.

Petroleum Bulk Storage - The NYSDEC Petroleum Bulk Storage - Underground Tanks (UST) database lists facilities with a petroleum storage capacity of more than 1,100 gallons and less than 400,000 gallons. The NYSDEC Petroleum Bulk Storage - Aboveground Tanks (AST) database lists facilities with registered above ground storage tanks. PBS sites do not necessarily pose a hazard unless the tanks are leaking or a spill occurs. Sites with leaking tanks or spills are addressed in the appropriate section.

The subject property is not identified as a PBS site. One adjacent property (288 East Montauk Highway) located hydraulically cross gradient from the subject property is identified in the AST database. The database entry indicates that all seven fuel-oil ASTs at the site were removed in 2001.

Chemical Bulk Storage - The Chemical Bulk Storage (CBS) database is a NYSDEC list of facilities that store regulated hazardous substances in aboveground tanks (AST) with capacities of 185 gallons or greater, or underground tanks (UST) of any size. CBS sites do not necessarily pose a hazard unless the tanks are leaking or a spill occurs. Sites with leaking tanks or spills are addressed in the appropriate section.

Neither the subject property nor any property adjoining the subject property is identified as a CBS site.

Institutional/Engineering Controls – NYSDEC list of Environmental Remediation sites with Institutional or Engineering Controls in place.

The subject property is not identified in the NYSDEC Institutional/Engineering Controls databases.

Voluntary Cleanup Agreements - The NYSDEC Voluntary Cleanup Program (VCP) database identifies contaminated sites undergoing private sector cleanup as part of redevelopment.

Neither the subject property nor any property within ½ mile of the subject property is listed as a VCP site.

Brownfields - A Brownfield is any real property where redevelopment or re-use may be complicated by the presence or potential presence of hazardous waste, petroleum products, pollutants, or contaminants in soil and/or groundwater.

Neither the subject property nor any site within ½ mile of the subject property was identified as a Brownfield site

Major Oil Storage Facilities - The NYSDEC Major Oil Storage Facilities (MOSF) database lists facilities or vessels with a petroleum storage capacity of more than 400,000 gallons.

Neither the subject property nor any property within ½ mile of the subject property is listed as a MOSF site.

New York State Spills - The New York State Spills Information Database (NYSPILLS) contains data collected on chemical and petroleum spill incidents reported to NYSDEC since April 1, 1986.

Neither the subject property nor any property within 1/8 mile of the subject property is identified as a NYSPILLS site in the EDR report. However, it appears that a closed NYSDEC spill number (90-05633) is associated with the subject property. The spill number appears to be related to leaking gasoline USTs removed from the former bait and tackle shop. It appears that the record was omitted from the EDR report due to incorrect address in the NYSDEC Record. The address listed in the spill record is 2 North Shore Road. However, the name of the business in the spill file (Altenkirch & Sons) is the same as the name of the former bait and tackle shop. A Freedom of Information Act request has been filed with the NYSDEC requesting further information from the spill file (see section 5.2.1).

Drycleaner Sites - The NYSDEC maintains a listing of all registered drycleaners.

Neither the subject property nor any property within ¼ mile of the subject property is identified as a Drycleaner site.

5.1.3 EDR Databases

The table below summarizes EDR databases that were searched in addition to standard USEPA and NYSDEC databases.

Agency	Listing Name or database Searched	Abbreviation	Search Distance
EDR	Manufactured Gas Plants	CGS	1.0 mile
EDR	Historical Auto Stations	HAS	0.25 mile
EDR	Historical Drycleaners	HDC	0.25 mile

Manufactured Gas Plants - The EDR Proprietary Manufactured Gas Plant Database includes records of coal gas plants (manufactured gas plants) compiled by EDR's researchers. Manufactured gas plants (MGP) were used in the United States from the 1800's to 1950's to produce a gas that could be distributed and used as fuel. These plants used whale oil, rosin, coal, or a mixture of coal, oil, and water that also produced a significant amount of waste. Many of the byproducts of the gas

production, such as coal tar, sludges, oils and other compounds are potentially hazardous to human health and the environment. The byproduct from this process was frequently disposed of directly at the plant site and can remain or spread slowly, serving as a continuous source of soil and groundwater contamination.

Neither the subject property nor any property within one mile of the subject property is identified as a MGP site.

Historical Auto Stations - EDR has searched selected national collections of business directories and has collected listings of potential Historical Auto Stations (HAC) sites that were available to EDR researchers. EDR's review was limited to those categories of sources that might, in EDR's opinion, include gas station/filling station/service station establishments.

Neither the subject property nor any site within ¼ mile of the subject property was identified as a HAC site.

Historical Drycleaners - EDR has searched selected national collections of business directories and has collected listings of potential Historical Drycleaner (HDC) sites that were available to EDR researchers. EDR's review was limited to those categories of sources that might, in EDR's opinion, include dry cleaning establishments.

Neither the subject property nor any site within ¼ mile of the subject property was identified as a HDC site.

5.2 Additional Environmental Record Sources

Additional information was obtained by submitting Freedom of Information Act (FOIA) requests to appropriate regulatory agencies and review of previous environmental reports provided by the property owner. Information obtained is summarized in the following sections.

5.2.1 *Freedom of Information Act Requests*

FOIA requests were sent to the United States Environmental Protection Agency, Region II (USEPA), the New York State Department of Environmental Conservation, Region I (NYSDEC), the Suffolk County Department of Health Services (SCDHS) and the Town of Southampton Town Clerk (TOS).

USEPA – a response from the USEPA indicates that no files regarding hazardous waste (RCRA) information exist for the subject property. Additional pertinent information will be forwarded upon receipt.

NYSDEC – a response from the NYSDEC indicated that none of the street addresses associated with the subject property was listed in their files. An additional FOIA request was submitted regarding the NYSDEC Spill Number associated with the subject property which was likely omitted from the original FOIA response due to incorrect address data in the NYSDEC files. As of the date of this report, no response has been received for the second FOIA request. Additional pertinent information, if any, will be forwarded upon receipt.

Town of Southampton – a response from the TOS Department of Land Management Environmental Division indicated that one parcel associated with the property was included in the TOS Wetlands Inventory. A memo sent from the TOS to the property owner indicated that improvements to the parcel would require a Wetlands Permit in pursuant to Chapter 325 of the Southampton Town Code. Additional pertinent information, if any, will be forwarded upon receipt.

Suffolk County Department of Health Services - As of the date of this report, a response has not been received for the FOIA request submitted to the SCDHS. Regulatory agencies usually take six to eight weeks to process FOIA requests. Any pertinent information received will be reviewed and forwarded upon receipt.

Copies of FOIA requests and regulatory agency responses are included in Appendix G.

5.2.2 Previous Environmental Reports

PWGC was provided with a Phase I ESA report for the property prepared by Cameron Engineering and Associates, LLP (CEA) in February 2000. Based upon information in the CEA report, the subject property was developed with three commercial structures and one residential structure. Potential recognized environmental conditions identified in the report included the potential presence of fuel-oil USTs associated with each structure, the potential presence of gasoline USTs associated with historical usage of the bait & tackle shop (gasoline service station) and Tide Runners restaurant (marina) and the potential for the onsite sanitary systems to be impacted with hazardous chemicals. Additionally, a NYSDEC spill number associated with a leaking gasoline UST at the property was identified, and a FOIA request was submitted to the NYSDEC. No further information regarding the spill incident was included in the report. Recommendations included in the report included a geophysical survey to identify potential USTs at the property and installation of soil borings to identify possible subsurface impact associated with any USTs identified. A copy of the text of the CEA report is included as Appendix H.

6.0 SITE RECONNAISSANCE

6.1 Methodology and Limiting Conditions

Ms. Lisa Santoro and Mr. Adrian Steinhauhoff of PWGC performed the site inspection on June 20, 2006 beginning at 10:35 AM. Weather conditions during the inspection were sunny and clear, with a temperature of approximately 82° Fahrenheit.

The site inspection consisted of an inspection of the interior of three of the four structures on the western portion of the property, an inspection of the perimeter of the parcel, followed by an inspection of the central portions of the property. Inspection of the eastern portion of the property consisted of an inspection of the perimeter of the parcel, followed by an inspection of the central portions of the property. Inspection of the eastern parcel was limited by heavy underbrush throughout the property.

6.2 Exterior Observations

Exterior portions of the property were inspected to identify potential recognized environmental conditions such as storage tanks, drums, hazardous substances, stained soil or pavement, stressed vegetation and solid waste. Observations are summarized below.

6.2.1 *Western Parcel*

Former Bait and Tackle Shop – inspection of the exterior portions of the two-story commercial building identified three potential underground storage tanks (USTs). Two fill ports were identified adjacent to the south side of the structure and a third fill port was identified adjacent to the north side of the structure. Associated vents were identified in the vicinity of two of the fill ports. A possible former pump island was also identified adjacent to the south side of the structure. A refrigeration unit was located on the north side of the building. No stained soil or stressed vegetation was identified around the refrigeration unit. A concrete paved area adjoined the western portion of the building, outside an overhead garage door. A dumpster filled with trash was located within the paved area.

La Casona Restaurant – a grease trap and five concrete cesspool covers were identified outside the north and west sides of the one-story structure. This building has an apartment that is entered at grade level at the rear of the building. The cesspool covers appear to be associated with the building's sanitary system. A 275-gallon fuel-oil aboveground storage tank (AST) was identified outside the northwestern corner of the structure. The AST appeared to be in excellent condition;

no evidence of leakage or spillage was identified on or around the AST. No evidence of potential USTs, chemical storage areas or improper disposal or spills of hazardous chemicals, was identified in the vicinity of the structure.

Tide Runners Restaurant – eight solid manhole covers were identified outside the eastern portion of the one-story commercial building. The covers appear to be for cesspools associated with the building's sanitary system. A ninth cesspool, which appeared to be overflowing, was identified outside the southwestern portion of the building. A natural-gas fired hot water heater was identified outside the eastern portion of the building. No evidence of potential USTs, chemical storage areas or improper disposal or spills of hazardous chemicals, was identified in the vicinity of the structure.

Residential Dwelling – no evidence of potential environmental concerns, such as evidence of potential USTs, chemical storage areas or improper disposal or spills of hazardous chemicals, was identified in the vicinity of the two-story residential structure.

6.2.2 Eastern Parcel

The eastern parcel is unimproved and vacant except for a small shed. Small amounts of trash and debris (paper, cardboard, etc.) were observed around the perimeter of the property; however no evidence of illegal dumping, such as discarded drums and/or chemical containers, stained soil or stressed vegetation, was identified.

6.3 Interior Observations

Interior portions of the property were inspected to identify potential recognized environmental conditions such as storage tanks, drums, hazardous substances, staining, corrosion, drains and sumps. Observations are summarized below.

6.3.1 Western Parcel

Former Bait and Tackle Shop – the two-story commercial structure was vacant at the time of the site inspection. The front portion of the interior of the structure appeared to have been utilized for retail sales. Work areas for rod and reel manufacturing and repair were located in the rear portion and basement of the structure. A small amount of staining was identified on the floor in the boiler room. It appeared that an AST may have been removed from the western portion of the basement. PWGC observed discoloration on the floor and wall which appeared to match the size of a 275 gallon tank. PWGC also observed severed pipes in the area which had a petroleum odor. PWGC believes that the pipe are the former fill and vent. The building was essentially empty of contents, except for several small chemical containers in the work areas

and a single 55-gallon drum which was labeled as degreaser but appeared to contain waste oil. No evidence of potential USTs, chemical storage areas or improper disposal or spills of hazardous chemicals, was identified within the building.

La Casona Restaurant – one floor drain was identified within the kitchen area of the one-story commercial building. The building has a one bedroom apartment in the basement. No evidence of potential USTs, chemical storage areas or improper disposal or spills of hazardous chemicals, was identified within the building.

Tide Runners Restaurant – four floor drains were identified inside the single-story commercial building, two in the kitchen area and one in each bathroom. No determination could be made as to where the drains discharge to, however based on the small size of the drains (less than six inch diameter) they likely discharge to the on-site sanitary system. No chemicals (other than those used in the day to day operations of the restaurant) were identified within the building.

Residential Dwelling – except for the garage area, the interior of the two-story residential structure was not inspected. No evidence of potential environmental concerns, such as evidence of potential USTs, chemical storage areas or improper disposal or spills of hazardous chemicals, was identified within the garage area.

6.3.2 Eastern Parcel

The shed located on the eastern parcel was empty except for a small amount of trash and debris (wood, paper, etc...). No evidence of chemical storage or disposal was identified inside the shed.

6.4 Aboveground Storage Tanks (AST)

One 275-gallon fuel oil AST was identified at the rear (north side) of the La Casona Restaurant. According to Mr. Mayer, the AST was installed in 2005. The AST replaced another 275-gallon AST located at the same approximate location. The AST appeared to be in excellent condition; no evidence of leakage or spillage was identified on or around the AST.

6.5 Underground Storage Tanks (UST)

Evidence of three potential USTs was observed outside the former bait & tackle shop. Information regarding the potential USTs is as follows:

- Potential UST #1 - a flush mounted fill port was identified in a grassy area adjacent to the south side of the building, west of the main entrance of the building. An associated vent was located against the building. No stained soil or stressed vegetation was identified in the vicinity of the fill port.
- Potential UST #2 - a fill port was identified adjacent to the building, east of the main entrance. The fill port was located beneath a small wooden deck outside the main entrance. No associated vent was identified.
- Potential UST #3 - a fill port and vent were identified in a grassy area adjacent to the north side of the building. No stained soil or stressed vegetation was identified in the vicinity of the fill port.

No evidence indicating the likely presence of additional USTs was observed elsewhere on the property.

6.6 Hazardous and Non-Hazardous Chemical Storage and Disposal

No hazardous or non-hazardous chemical storage areas, other than cleaning products used in the day-to-day operations of the two restaurants, were observed at the subject property at the time of the site inspection.

6.7 Polychlorinated Biphenyls (PCBs)

Several pole-mounted transformers were observed on and/or adjacent to the subject property. No evidence of leakage on or around the transformers was identified. According to information on the Long Island Power Authority's website (<http://www.lipower.org/residential/safety/pcbs.html>), all distribution equipment containing PCBs was removed in the 1980's and 1990's and replaced with non-PCB containing equipment.

6.8 Asbestos

No sources of potential asbestos containing material (ACM) were observed during the site inspection. However, based upon the approximate age of the on-site structures, the potential for ACM to be present exists. An inspection by a certified asbestos inspector should be performed prior to demolition or renovation of the structures.

6.9 Lead-Based Paint

No evidence of lead based paint (LBP) was observed during the site inspection. However, based upon the approximate age of the on-site structures, the potential for LBP to be present exists. An inspection by a certified lead inspector should be performed prior to demolition or renovation of the structures.

6.10 Mold

No sources of mold were observed during the site inspection. However, based upon the waterfront location of the property and the age of the structures, it is likely that sources of mold exist within the structures.

7.0 INTERVIEWS

7.1 Owner

According to information provided to PWGC by Mr. Ron Mayer, the property owner, the subject property has never been a source of contamination and he has no knowledge of the presence or likely presence of contamination at the property. According to Mr. Mayer, the two-story commercial building was utilized as a gasoline service station prior to its use as a bait and tackle shop.

7.2 Occupants

At the time of the site inspection, two of the three commercial structures were occupied by restaurants (La Casona and Tide Runners). The former bait and tackle shop was vacant and essentially empty of contents. According to the property owner, the residential structure is occupied by employees of the on-site restaurant businesses.

7.3 Local Government Officials

Telephone interviews were conducted with Ms Mary Hudson of the Town of Southampton (TOS) Department of Land Management and Mr. Fred Mushacke of the NYSDEC Bureau of Marine resources.

Ms Hudson indicated that one (SCTM 900-207-4-23) of the five lots that comprise the subject property is included in the TOS Wetlands Inventory and improvements to the lot will likely require a Wetlands Permit from the TOS.

According to Mr. Mushacke, if the subject property is identified as a regulated NYSDEC Tidal Wetland, a NYSDEC Wetland Permit would be required for improvements to the property. Mr. Mushacke provided a link to an online NYSDEC Tidal Wetlands map (<http://www.ligis.org>) for the subject property. A hardcopy of the map is included in Appendix G. The quality of the map reproduction is poor, so it is difficult to discern the wetlands boundary in the vicinity of the subject site and are therefore unable to determine if the subject site contains wetlands.

Additionally, FOIA requests were submitted to the USEPA, Region II, the NYSDEC, Region I, the SCDHS and the TOS Town Clerk. FOIA requests and responses are addressed in Section 4.2.

8.0 FINDINGS AND OPINIONS

Based upon reconnaissance of the subject and surrounding properties, interviews and review of historical records and regulatory agency databases, the following potential recognized environmental conditions have been identified:

- The subject property is identified as a NYSDEC Spill site.
- Evidence of potential USTs was identified at the subject property.
- Sanitary wastes are disposed of through on-site septic systems associated with each structure.
- The former bait and tackle shop was historically used as a gasoline service station.

Potential recognized environmental conditions identified at the subject property were evaluated to determine whether items initially suspected to be recognized environmental conditions are in fact recognized environmental conditions. Evaluation of potential recognized environmental conditions are as follows:

- NYSDEC Spill site – the subject property is identified as a NYSDEC Spill site (Spill No. 90-05633). The spill incident appears to be related to gasoline tanks associated with a service station formerly located at the vacant bait and tackle shop. According to information available in the NYSDEC spills database, the incident was closed in February 1992. A FOIA request for further information was filed with the NYSDEC. However, as of the date of this report, no additional information has been received. Based upon the fact that the NYSDEC has closed the spill file, PWGC believes that this does not represent a recognized environmental condition. However, further information regarding the spill incident may affect this determination. Information received from the NYSDEC will be reviewed and forwarded upon receipt.
- Potential USTs – three potential USTs were identified outside the former bait and tackle shop. As of the date of this report, no record indicating the type, size, contents or installation date of the USTs has been identified. Although the structures on the property are currently heated with natural gas, additional unknown fuel oil USTs may be associated with the other structures on the property as well. Based upon the possibility that the potential USTs may have leaked and impacted the subsurface of the property, PWGC believes that this represents a recognized environmental condition.
- On-site septic systems – based upon the historical usage of the site, it is possible that hazardous chemicals were disposed of through the on-site septic systems at each of the three commercial structures. PWGC believes that this represents a recognized environmental condition.

- Historical usage - based upon the historical usage of the former bait and tackle shop as a gasoline service station, it is likely that hazardous chemicals were used and/or stored at the subject property. Furthermore, additional unknown USTs, beyond those identified during the site visit, may be present at the site. Potential uncontrolled releases and/or improper disposal of hazardous chemicals or leakage from potential unknown USTs may have impacted the subsurface of the site. PWGC believes that this represents a recognized environmental condition.

9.0 CONCLUSIONS AND RECOMMENDATIONS

PWGC has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations as described under ASTM Practice E1527-05 for the property identified on the Suffolk County Tax Map (SCTM) as District 900, Section 207, Block 4, Lots 22.1, 23, 24, 25 and District 900, Section 208, Block 2, Lot 18.1 in Hampton Bays, New York (street addresses associated with the property include 3, 5 and 7 North Highway, 5 Old Canoe Place Road and 243 East Montauk Highway). Any exceptions to, or deletions from, this practice are described in Section 1.4 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject property, except for the following:

- Three potential USTs were identified outside the former bait and tackle shop and although the structures on the property are currently heated with natural-gas, additional unknown fuel-oil USTs may be associated with the other structures on the property as well. Possible leakage from potential USTs may have impacted the subsurface of the property.
- Sanitary waste is disposed of through onsite septic systems at each of the three commercial structures. Based upon the historic usage of the site, it is possible that hazardous chemicals were used and/or stored at the subject property. Potential uncontrolled releases and/or improper disposal of hazardous chemicals may have impacted the onsite septic systems.
- The former bait and tackle shop was historically utilized as a gasoline service station. Based upon the historical usage of the site, it is likely that hazardous chemicals were used and/or stored at the subject property. Furthermore, additional unknown USTs, beyond those identified during the site visit, may be present at the site. Potential uncontrolled releases and/or improper disposal of hazardous chemicals or leakage from potential unknown USTs may have impacted the subsurface of the site.

Based upon the presence of recognized environmental conditions, PWGC recommends that a Phase II ESA be performed for the property. The Phase II ESA should consist of the following:

- To identify potential USTs at the property, a geophysical survey encompassing the areas around each of the on-site structures should be performed.
- To determine whether the use and/or presence of any USTs identified at the property have impacted the subsurface of the property, soil borings should be installed around each UST identified and soil and groundwater samples should be collected from each boring location and submitted for laboratory analysis.

- To determine whether the past usage of the property has impacted the on-site septic systems, soil samples should be collected from the bottom of the primary cesspool associated with each of the onsite septic systems and submitted for laboratory analysis.

Based on review of Town of Southampton and NYSDEC records, it appears that portions of the western parcel of the subject property are identified as tidal wetlands. Improvements to the western portion of the subject property may require Wetlands Permits from the NYSDEC and Town of Southampton.

No potential sources of Presumed Asbestos Containing Material (PACM), lead based paint or mold were observed during the site inspection. However, based upon the apparent age of the structures, further investigation would likely be warranted in the event that the structures are demolished or renovated.

10.0 DEVIATIONS

This Phase I ESA was conducted in accordance with the scope and limitations of the American Society for Testing and Materials (ASTM) Standard E 1527-05 (Standard Practices for Environmental Site Assessment: Phase I Environmental Site Assessment Process) and 40 CFR Part 312 (Standards and Practices for All Appropriate Inquiry; Final Rule). Excluding additional services outlined in Section 11.0, there were no deviations or deletions from this practice.

11.0 ADDITIONAL SERVICES

PWGC has included, in addition to those items outlined by ASTM E 1527-05, a general evaluation of radon impact potential based on USEPA maps, the general potential for asbestos containing material and lead-based paint within the building structures based on their age, flood potential and wetlands delineation based on available maps and recommendations for additional investigation (Phase II ESA) at the site, in the scope of work.

12.0 REFERENCES

Standard practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, ASTM Standard E 1527-05

All Appropriate Inquiry, Final Rule, 40 CFR Part 312

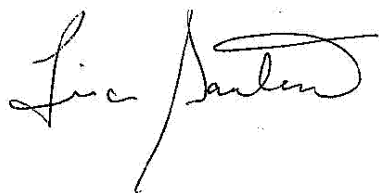
Water-Table and Potentiometric-Surface Altitudes of the Upper Glacial, Magothy, and Lloyd Aquifers on Long Island, New York, in March-April 2000, with a Summary of Hydrogeologic Conditions, Busciolano, Ronald, 2002, U.S. Geological Survey Water-Resources Investigations Report 01-4165

Ground Water Atlas of the United States, Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont, Perry G. Olcott, 1995, U.S. Geological Survey publication HA 730-M

Phase I Environmental Site Assessment for Hampton Bays Property, February 2000, Cameron Engineering & Associates, LLP

13.0 SIGNATURE OF ENVIRONMENTAL PROFESSIONAL

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in Section 312.10 of 40 CFR 312. I have the specific qualifications based on education, training and experience to assess a property of the nature, history and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR 312.



Lisa Santoro
Vice President